



5100 South Broadband Lane
Sioux Falls, SD 57108

April 18, 2005

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: American Cable Association Petition for Rulemaking, RM-11203

Dear Ms. Dortch:

Of behalf of PrairieWave Communications, Inc., I write to express our strongest support for ACA's petition for rulemaking on retransmission consent. PrairieWave operates as an independent cable company that serves customers in smaller, rural areas, and I can verify that the petition accurately describes the upcoming retransmission consent crisis. Broadcasters, including those in our markets, have made it clear that they will force us to charge additional amounts to subscribers per month for cable subscriptions to cover new demands of cash for carriage. ACA's solution to this problem is pro-competition, pro-consumer, and deregulatory. It will benefit the consumers served by PrairieWave and will help keep down the costs of cable services.

Provided below is some information about PrairieWave and why we think the Commission needs to grant ACA's petition.

Company Background

PrairieWave communications, inc. is a provider of telephone, Cable television, and Internet access services (dial-up, DSL, and cable modem) in the states of South Dakota, Minnesota, and Iowa. PrairieWave serves approximately 40,000 customers in 35 separate markets. PrairieWave operates as a competitive provider of services and as an incumbent provider in the various markets.

Because PrairieWave bases its operations in South Dakota but many of its communities served are near a state border, its service areas encompass different DMA's. This multi-DMA, multi state coverage further complicates this issue and cries out for the relief sought in the ACA petition.

Why PrairieWave supports ACA's Petition

Basically, all that ACA asks for is a right for cable providers to shop and only when a broadcaster demands a price for retransmission consent. In PrairieWave markets, we know this will work to lower the cost of retransmission consents for PrairieWave and ultimately its customers.

First, PrairieWave knows that it could obtain network programming at a lower cost from other broadcasters. PrairieWave can do this by receiving signals from the many neighboring markets.

Second, if the broadcasters in the PrairieWave markets know alternatives exist, PrairieWave is confident that it will be able to negotiate a lower price. This type of free market negotiation works in other types of transactions, and it will work in retransmission consent.

As stated in the petition, the problem is not that broadcasters demand a "price" for retransmission consent. The problem is that they block our ability to find lower-cost alternatives. The petition shows how this problem will easily cost consumers and smaller cable operators upwards of \$1 billion next year. In PrairieWave markets alone, broadcasters' demands will cost it and its subscribers at least \$750,000.00 per year.

By making the limited changes requested by ACA, the Commission will bring some market discipline to retransmission consent "pricing." This will help to keep costs down and will benefit consumers.

PrairieWave's concern for localism

As a final point, PrairieWave wants the Commission to know that it supports local broadcasting and it prefers to carry its local broadcasters. PrairieWave currently provides approximately 750 hours per week of local programming on its 35 cable systems. PrairieWave understands the importance of local programming, but it also understands how much its customers are willing to pay for it. The problem is the higher prices being demanded by more and more owners of these stations. Most often the owners are based in corporate headquarters hundred or thousands of miles away. Frankly, they don't care about localism. They just want our customers' money.

PrairieWave fully supports a fair exchange of value for carriage of local signals. But when broadcasters demand a “price,” it needs the ability to “shop” to get a “price” that fairly reflects the value of the signal. Please act positively on ACA’s Petition as soon as possible.

Sincerely,

/s/

Patrick J. Mastel
Senior Counsel
PrairieWave Communications, Inc.
5100 S Broadband Lane
Sioux Falls, SD 57108